

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

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| IN RE: QWEST CORPORATION, f/k/a U S WEST COMMUNICATIONS, INC. | DOCKET NO. TF-00-250 (RPU-98-4) |
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ORDER ESTABLISHING PROCEDURAL SCHEDULE AND HEARING

(Issued February 12, 2001)

On October 3, 2000, Qwest Corporation, f/k/a U S WEST Communications, Inc. (Qwest), filed a proposed tariff with the Utilities Board (Board) designed to reduce certain rates to comply with Qwest's price regulation plan. The proposed tariffs were identified as Docket No. TF-00-250. On December 21 and 22, 2000, the Board issued orders establishing the rate reduction under Qwest's price plan and ordered Qwest to file new proposed compliance tariffs on or before December 29, 2000.

On December 29, 2000, Qwest filed an application for rehearing and two sets of proposed tariffs in compliance with the Board's orders. In the application, Qwest asserts that the Board improperly denied the offsetting of the price plan rate reduction by the CentrexPlus rate reduction and stated that it filed the two sets of proposed tariffs to comply with whichever decision the Board reached on the application for rehearing.

On January 8, 2001, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an "Objection To Tariff." On January 10, 2001,

Consumer Advocate filed an "Application For Rehearing" asserting that the Board incorrectly interpreted Qwest's price regulation plan. Consumer Advocate specifically, among other assertions, renews its contention that the last published Gross Domestic Product Price Index (GDPPI) in 1999 before the anniversary date of the plan, November 7, 1999, was the one published in the October Survey of Current Business and its contention that the price plan requires Qwest to reduce rates across-the-board.

The Board, on January 29, 2001, issued an order granting the applications for rehearing. The Board indicated in the order that it would also address the objections of Consumer Advocate to the proposed compliance tariffs. On February 2, 2001, Consumer Advocate filed a motion requesting that the Board set the factual issues in this docket for evidentiary hearing.

In its order of October 27, 2000, the Board had directed the parties to indicate whether there were any factual issues that would require a hearing. The parties filed briefs in compliance with a briefing schedule and did not indicate that any factual issues required a hearing. The Board, having considered Consumer Advocate's motion, finds that there now exists a dispute among the parties concerning material issues of fact that will require an evidentiary hearing. The Board will therefore establish a procedural schedule for prefiled testimony, a hearing, and briefs. The Board will also set out the six issues that should be addressed by the parties in their prefiled testimony and briefs.

The Board is also scheduling an evidentiary hearing in Docket No. TF-00-280 involving the price regulation plan of Frontier Communications of Iowa, Inc. (Frontier-

Iowa). Consumer Advocate has raised the issue concerning the correct GDPPI to use in calculating the inflation rate in an application for rehearing in that docket. The Board finds that the two dockets should be decided together to avoid inconsistent decisions. The hearings in the dockets will be scheduled concurrently.

IT IS THEREFORE ORDERED:

1. All parties shall file prepared direct testimony with supporting exhibits and workpapers on or before February 23, 2001. The testimony will address any factual contention regarding the following issues:
 - a. Which Gross Domestic Product Price Index is "published in the most recently available monthly edition of the U.S. Department of Commerce's Survey of Current Business, Table 7.1" prior to November 7, 1999?"
 - b. Is the CentrexPlus rate reduction one of the Basic Communications Services that can be offset against a required rate reduction under the provisions of the price regulation plan?
 - c. Whether a required rate reduction under the price regulation plan can be applied to specific Basic Communications Services rates or must be across-the-board to all rates.
 - d. Was the proposed reduction of two of the three rates for business measured service authorized under the provisions of the price regulation plan.
 - e. Were the July 2000 line quantities the proper line quantities to use in the calculation for the required rate reduction under the price regulation plan?

f. Should interest be paid on the required rate reduction that was due to customers on November 7, 2000?

2. A hearing for the purpose of receiving testimony and cross-examination of all testimony will commence at 10 a.m. on March 7, 2001, in the Board's hearing room at 350 Maple Street, Des Moines, Iowa. Parties shall appear at the hearing one-half hour prior to the time of hearing to mark exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Board at 515-281-5256 to request that appropriate arrangements be made.

3. Any party desiring to file a brief may do so on or before March 16, 2001.

4. In the absence of objection, all workpapers shall become a part of the evidentiary record at the time the related testimony and exhibits are entered in the record.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Judi K. Cooper

Acting Executive Secretary

/s/ Diane Munns

Dated at Des Moines, Iowa, this 12th day of February, 2001.